Student Guide







List of Acronyms and Websites

Below are acronyms that appear in this guide. The corresponding website addresses are listed when available.

со	Contracting Officer
EDWOSB	Economically Disadvantaged Women-Owned Small Business
FAR	Federal Acquisition Regulation <u>www.acquisition.gov/far/index.html</u>
FAS	Federal Acquisition Service www.gsa.gov/fas
FSS	Federal Supply Schedules (aka Multiple Award Schedules)
GSA	General Services Administration www.gsa.gov
GAO	Government Accountability Office http://www.gao.gov/
IFF	Industrial Funding Fee
MAS	Multiple Award Schedule www.gsa.gov/schedules
NAICS	North American Industry Classification System
RFQ	Request for Quotation
SAT	Simplified Acquisition Threshold
SBA	Small Business Administration http://www.sba.gov/
SIN	Special Item Numbers
SDVOSB	Service-disabled, veteran-owned small businesses
WOSB	Women-owned small businesses
VOSB	Veteran-owned small businesses

^{*}For additional websites, please see the end of this guide.

Course Introduction

Welcome to GSA's *GSA Schedules and the Utilization of Small Business* training. This course is designed for the Federal 1102 community working in both civilian and military agencies.

The purpose of this course is to ensure that buyers in the Federal marketplace understand the treatment of small businesses when using the GSA Schedules program. The preference programs in FAR Part 19 do not apply. However, based on a change covered by FAR Subpart 8.405-5, Contracting Officers, at their discretion, may conduct set-asides at the BPA and order level.

Course Outline

This course has six main topics.

Topic 1: Introduction to the MAS Program

Topic 2: Benefits of the MAS Program

Topic 3: Types of Schedules and Characteristics

Topic 4: Overview of Socioeconomics

Topic 5: GSA's Role and MAS

Topic 6: Identifying Small Businesses

Course Objectives

Upon completion of this course, you should be able to:

- Describe the purpose and benefits of the Multiple Awards Schedule (MAS) program
- Define socioeconomics in the context of Government acquisition
- Identify the various small business types and how socioeconomic objectives work within the Government
- Recognize FAR and the Small Business Act requirements as they apply to the Multiple Award Schedule (MAS) program
- Utilize set-asides for both small businesses and subsets of small businesses, based on market research
- Identify contracting and competition requirements for the MAS program, including getting agency credit for awards to small businesses



NUTS AND BOLTS TIP

These tips, identified by the icon shown here, are "how-to's" designed to enhance the student's learning experience.



MAS Desk Reference

As you read through this manual, look for these references for more detailed information on a particular subject.

Topic 1: Introduction to the MAS Program

What Is a Multiple Award Schedule?

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Governmentwide contract vehicle for <u>commercial</u> products, services, and solutions
Also known as "Federal Supply Schedule (FSS)," "GSA Schedules" or "MAS"
Standing solicitations posted on FedBizOpps
Awarded using FAR Part 12 procedures

GSA Schedules

The MAS program provides eligible ordering activities with a simplified process for obtaining supplies and services. Schedule contracts are multiple award, indefinite delivery/indefinite quantity (IDIQ) contracts which are awarded to responsible companies that offer commercial supplies or services at fair and reasonable prices. Products and services are ordered directly from Schedule contractors.

Multiple Award Schedules are also known colloquially as "GSA numbers", "GSA Schedules", "GSA contracts", "Federal Supply Schedules (FSS)", and the "GSA list". All of these terms are used synonymously within the Federal contracting community to refer to the GSA MAS program. Through the MAS program, GSA contracts with thousands of commercial businesses that provide access to a vast array of professional services, such as management, financial, engineering, environmental, accounting, graphic design and landscaping services. In addition to commercial services, commercial supplies range from computer hardware to office supplies.

FSS website: www.gsa.gov/schedules

MAS Contract Characteristics

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Multiple Award IDIQ (5 year base, three 5 year options)
Fixed Price Economic Price Adjustment (EPA)
Fair and reasonable pricing
 Price reductions can be requested and may be applied at the order level.
Performance requirements established at the order level to meet the customer's specific needs

Quantity and Delivery/Performance Requirements

As IDIQ contracts, the Schedules themselves contain no specific quantities, other than minimum and maximum threshold* amounts that are applicable to single orders; a single order cannot be below \$50.00. The ordering activity is able to set specific order quantities and specific delivery/performance dates when issuing an order under the Schedule contract. When issuing an order:

- Delivery or performance periods and all other order requirements must conform to the applicable terms and conditions of the Schedule contract, but
- An ordering activity may add additional terms and conditions as long as they do not conflict with the Schedule contract.

Limits on Order Placement and Timing

In accordance with FAR Subparts 8.405-1 and 8.405-2, Schedule users:

- May issue orders for supplies or services not requiring a statement of work (SOW) orally, by fax, by paper order, or electronic commerce methods depending on the ordering activity's specific ordering procedures.
- May not issue oral orders when an SOW is required. Orders by fax, hard copy, or electronic means are authorized.
- May place an order anytime during the effective period of the Schedule contract. Any order not completed within the period of the Schedule contract must be completed within the time specified in the order.
- May not issue oral orders for brand name items when the order exceeds \$25K.
- May not place repetitive orders for the same items to attempt to avoid exceeding the Simplified Acquisition Threshold (SAT), which is currently \$150,000, and to hold a proper competition.

Negotiating Reductions to Published Schedule Prices

Requesting price reductions is permitted at any time. Vendors may offer reduced prices based on specific quantities, overall volume, delivery requirements and/or other orderspecific terms and conditions.

^{*}The maximum order threshold is simply a threshold, whereby the contractor has the right to refuse the order. There is no maximum order limitation under Schedules contracts.

The Government buyer is REQUIRED to REQUEST reductions for any requirement (order or BPA) in excess of the SAT. Vendors maintain the option of agreeing to any requested price reductions.

Regulatory Foundation

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The Federal Acquisition Regulation (FAR)

FAR	Provides	Applicability
Subpart 8.4	Ordering procedures for GSA Schedules	Federal Government Ordering Activities
Part 12	Acquisition of Commercial Items	GSA awards Schedule contracts under Part 12
Subpart 6.102(d)(3)	Defines orders placed against Schedules as a competitive procedure	All

The **Federal Acquisition Regulation (FAR)** provides the primary regulatory guidance for the GSA Schedules program. The **General Services Administration Acquisition Regulation (GSAR)** is the GSA FAR supplement. The GSAR provides guidance tailored to GSA acquisitions, including GSA Schedules contracting. GSAR guidance primarily affects GSA Schedules by providing supplementary guidance to the Contracting Officers awarding and administering GSA Schedule contracts.

FAR Subpart 8.4, Federal Supply Schedules, prescribes procedures that Federal Government ordering activities must follow when issuing orders using GSA Schedules. Orders placed following these procedures are considered to be issued using full and open competition. (See FAR 8.404(a)).

FAR Part 12, Acquisition of Commercial Items, prescribes policies and procedures unique to the acquisition of commercial items. It implements the Federal Government's preference for the acquisition of commercial items contained in Title VIII of the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355) by establishing acquisition policies more closely resembling those of the commercial marketplace and encouraging the acquisition of commercial items and components.

FAR 6.102(d)(3), Competition Requirements, pertains to use of competitive procedures. It states that use of MAS issued under the procedures established by the Administrator of General Services consistent with the requirement of 41 U.S.C. 259(b)(3)(A) for the MAS program of the General Services Administration is a competitive procedure.

FAR Applicability to Schedule Orders

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FAR	Title	Applicable
Part 13	Simplified Acquisition Procedures	NO (except allows for MAS BPAs)
Part 14	Sealed Bidding	NO
Part 15	Contracting by Negotiation	NO
Part 19	Small Business Programs	NO (except Bundling)
Part 36	Construction and A&E	NO
Part 7	Acquisition Planning	YES
Part 10	Market Research	YES
Subpart 17.5	Interagency Acquisitions	YES
Subpart 33.1	Protests	YES
Subpart 37.6	Performance Based Acquisition	YES
Part 39	Acquisition of Information Technology	YES

The primary regulatory guidance is provided by the *Federal Acquisition Regulation (FAR)*:

- FAR Subpart 8.4, Federal Supply Schedules, prescribes procedures that Federal Government ordering activities must follow when issuing orders using GSA Schedules. Awards made following these procedures are considered competitive.
- The General Services Administration Acquisition Regulation (GSAR) is the GSA FAR supplement and is a subset of the General Services Administration Acquisition Manual (GSAM). GSAR provides guidance tailored to GSA acquisitions, including GSA Schedules contracting. GSAR guidance primarily affects GSA Schedules by providing supplementary guidance to the contracting activities awarding and administering GSA Schedule contracts.
- ❖ All GSA Schedule contracts are awarded using FAR Part 12, Commercial Items.

Any agency utilizing GSA Schedules **must** use the procedures described in FAR Subpart 8.4. Some agencies issue supplementary guidance to the FAR. For example, the DoD has the Defense Federal Acquisition Regulation Supplement (DFARS); the Army has the Army Federal Acquisition Regulation Supplement (AFARS) in addition to the DFARS; and NASA has the NASA FAR Supplement (NFS). The competition requirements for civilian agencies and DoD are the **same**. The one exception is DoD requires the Contracting Officer to consider additional steps when only one response is received to a competitive solicitation over the SAT.

NOTES:

- Acquisition planning is required for all acquisitions over the micro-purchase threshold, which is currently \$3,000.
- FedBizOpps notice is only required post-award for a limited sources acquisition.
- Responsibility determinations are made by GSA, at the contract level.
- Terms and conditions are already set in the Schedule contracts.
- ❖ Fair and reasonable pricing has already been determined in the Schedules, though over the SAT, agencies MUST request price reductions.

Topic 2: Benefits of the MAS Program

FAR Subpart 8.4 Simplifies the Solicitation Process (slide)

In contrast to FAR Part 15, Contracting by Negotiation, Schedule orders do <u>not</u> require:		
	Conducting a formal "negotiated procurement" (Source Selection Evaluation Board (SSEB)	
	Issuing a "solicitation" for thirty days (or any other pre-determined time)	
	Conducting a "competition" by seeking contractors outside the Schedules program	
	Synopsizing the requirement on FedBizOpps, unless it's a limited sources acquisition over the SAT	
	Conducting "discussions"	
	Conducting formal "debriefings" or "competitive range determinations"	
	Using FAR Subpart 15.3 concepts and procedures	

FAR Subpart 8.4 provides ordering procedures for placing orders against a GSA Schedule. FAR Part 13, *Simplified Acquisition Procedures*, Part 15, *Contracting by Negotiation*, and FAR Part 19, *Small Business Programs* [except for 19.202-1(e)(1)(iii)], are **NOT** applicable to orders placed against Multiple Award Schedules (except that FAR 13.303-2(c)(3) allows for BPAs to be established with Multiple Award Schedule contractors, if not inconsistent with the terms of the applicable Schedule contract, but see FAR 8.405-3 for BPA procedures under Schedules.)

Under FAR Part 8, as compared with FAR Part 15, ordering activities do not have to:

- Conduct a formal "negotiated procurement"
- Issue a "solicitation" for thirty days (or any other pre-determined time)
- Conduct a "competition" by seeking contractors outside the Schedules program
- Synopsize the requirement on FedBizOpps, unless it's a limited sources acquisition over the SAT
- Conduct "discussions"
- Conduct formal "debriefings"
- Use FAR Subpart 15.3 concepts and procedures

When a Contracting Officer correctly chooses to not use FAR Subpart 15.3 concepts and procedures for a GSA Schedule-based order, the following are positive attributes of the task order selection process:

There is no requirement to follow the FAR Subpart 15.305 requirement to "evaluate competitive proposals and then assess their relative qualities." In other words, your

- evaluation system can immediately compare (and remember, we don't say "compete" because the Competition in Contracting Act (CICA) requirements have already been met) one quote to another in order to determine the rank ordering for selection.
- You are not bound by the rules in FAR Subpart 15.3 for evaluating past performance, such as the requirement to provide a neutral rating to a quote without any past performance. Further, if you choose not to use past performance as an evaluation factor, there is no requirement to document the file with your rationale.
- There is no requirement to capture "the relative strengths, deficiencies, significant weaknesses, and risks supporting proposal evaluation..." as required in FAR Subpart 15.305. This means your evaluation system can be very streamlined. There is no requirement to set a competitive range using all the published evaluation factors. This means that you can save yourself and the Schedule contractor considerable time and money by phasing your procurement in a manner that uses the least costly factors to initially eliminate offerors.
- Because a competitive range is not established, there is no need to be overly focused on the nature of exchanges with the quoter. You can engage in detailed exchanges about any aspect of a quote at any time. Naturally, you should make every effort to treat each quoter equitably. You must not be biased, arbitrary, or capricious and your decisions must be adequately (but not overly) documented.



NUTS AND BOLTS TIP

PROTEST RISK: If an agency issues a Schedule order using FAR Part 15 terminology and procedures, protest review authorities, such as the GAO and the courts, may sustain a protest against the order using FAR Part 15 procedures.

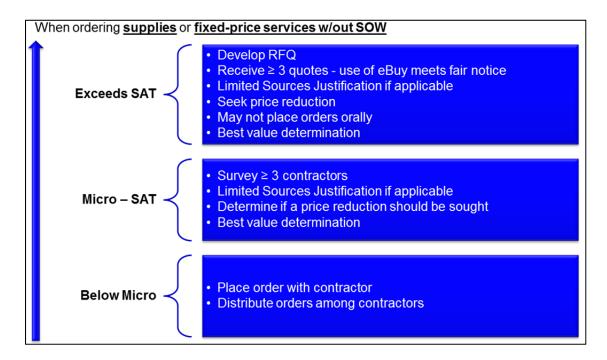
GSA Schedules Conform with Competitive Contracting

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Schedule users shall <u>not</u> :		
	Seek further competition outside of the MAS program	
	Synopsize the requirement (unless Sole-Source greater than SAT with an LSJ – See	
	8.404(g))	

Ordering Procedures - FAR 8.405-1

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When Is an SOW Not Required?

FAR 8.405-1 states a SOW is not required for ordering supplies and fixed-price services for performance of a specific task such as installation, maintenance, and repair. When acquiring fixed-price services or supplies through GSA Schedules, an SOW is not required when the dollar value of the order or Blanket Purchase Agreement (BPA):

- Is at or below the micro-purchase threshold. You may place the order directly with the selected vendor. FAR procedures for acquisitions at or below the micro-purchase threshold emphasize simplicity and fair treatment. Supporting documentation, including extensive information collection and evaluation, is not required. However, the Schedule user should attempt to distribute orders among Schedule contractors.
- Exceeds the micro-purchase threshold, but not the simplified acquisition threshold. You should obtain at least three (3) quotes, always documenting your contract file and selecting the best value quote.
 - Survey at least three Schedule contractors, considering price and other identified best value factors.
 - Consider ordering from contractors that help you meet your agency's socioeconomic goals.
 - Use an RFQ only if it is the most efficient method for gathering the information needed to evaluate solutions available under GSA Schedules. When using an

RFQ, the Schedule user must provide the RFQ, including the evaluation criteria, to any contractor under the appropriate Schedule that requests a copy.

- The Schedule user should seek a price reduction when:
 - Market research reveals that the supply or service is available elsewhere at prices lower than those available from Schedule contractors.
 - The Schedule contractor has been or will be selected to provide recurring requirements, and the size of the recurring orders appears to merit a price reduction.
 - Market research identifies other information indicating that a price reduction is appropriate.
- **Exceeds the simplified acquisition threshold**, or when establishing a BPA. The ordering activity shall seek a price reduction, survey more than three contractors, and select the best value quote. If further price reductions are not offered, an order may still be placed. eBuy shall be used as one method to ensure at least 3 written quotations are received. If fewer than 3 are received, the Contracting Officer must document the file as to the actions taken to ensure competitive quotations, and what can be done in future acquisitions to enhance competition. Procedures also apply for DoD agencies when the value of the order exceeds the simplified acquisition threshold (\$150,000) and only one offer was received (DFARS 208.404 and 208.405-70). If fewer than 30 days for offer submission was allowed, the CO must consider promoting competition by revising the requirements document to eliminate any barriers and by permitting more time for receipt of offers when fewer than 30 days was initially allowed. The Contracting Officer must either resolicit for 30 days or more or request a waiver. If the Contracting Officer still receives only one offer, he/she must determine prices to be fair and reasonable through price or cost analysis or enter negotiations with the offeror. Remember, under the Schedules program you cannot compete outside of the program, so the Contracting Officer should consider whether or not there are any valid sources available or if sources have been exhausted through the use of eBuy.



NUTS AND BOLTS TIP

Schedule contractors are not required to pass on to all GSA Schedule users a one-time spot price reduction provided to a single agency.



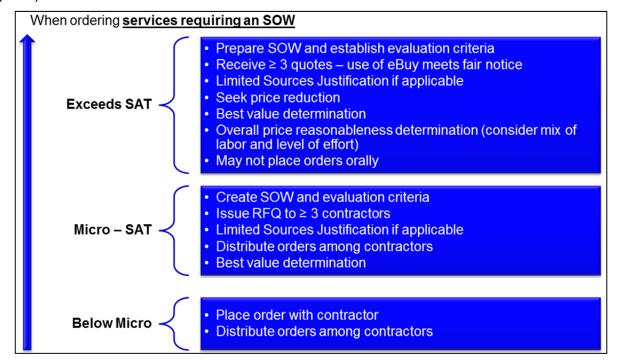
NUTS AND BOLTS TIP

FAR 9.405-1(b) prohibits ordering from any Schedule contractor that is debarred, suspended, or proposed for debarment unless the agency head makes a written determination of the compelling reasons for such action.

A Schedule user can review the contractor's information page in GSA eLibrary (www.gsaelibrary.gsa.gov) or SAM (www.sam.gov) to determine whether the prospective contractor is debarred, suspended, or proposed for debarment.	

Ordering Procedures - FAR 8.405-2

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When Is an SOW Required?

For services offered in Schedule contracts at hourly rates, Schedule users must create Requests for Quotations (RFQs) and include the SOW and evaluation criteria to Schedule contractors that offer services that will meet the agency's needs. The RFQ requirements differ by dollar value. The RFQ may be posted through eBuy.

If an order requires an SOW, the first step in the decision process is to review the quotes. The price quote review focuses on the quality of the vendor's capabilities or products, the proposed solution, the prices, and any other pre-determined evaluation criteria.

If the order requires an SOW/PWS/SOO, the ordering activity has the option to ask quoters to give oral presentations after quotation submission. The oral presentations can help the ordering activity clarify details, become acquainted with the contractors' personnel and provide additional comparison points for decision making.

After comparing prices and other factors, the ordering activity chooses the contractor who can provide the best value to the Government.

Topic 3: Types of Schedules and Characteristics

MAS Schedule Facts

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☐ GSA offers over 40 million supplies and services.		
☐ 39 open and standing solicitations published on FedBizOpps (including 9 managed by VA)		
☐ Over 17,000 Schedule contracts		
■ 80% are small businesses.		
 Orders and BPAs can be set aside for small businesses. 		
□ \$50 billion total in annual spending (including VA)		

GSA Schedules provide access to over 40 million commercial supplies (products) and services at volume discount pricing. The Schedule List in the GSA eLibrary contains a list of all GSA and VA Schedules. The generic categories of supplies and services available under each Schedule may be viewed by clicking on the Schedule number in the Source column. Supplies and services are identified in each Schedule by SIN.

Special Item Numbers (SINs)

Within each Schedule are specific SINs. SINs are used to group or categorize similar supplies and services.

Each Schedule is comprised of multiple SINs. For example, *Schedule 874, Mission Oriented Business Integrated Services (MOBIS)*, has the following SINs:

- 874-1, Integrated Consulting Services
- 874-4, Training Services: Instructor Led Training, Web Based Training and Education Courses, Course Development and Test Administration Learning Management, Internships
- 874-5, Ancillary Supplies and/or Services
- 874-6, Acquisition Management Support
- 874-7, Integrated Business Progarm Support Services
- 874-8, DAU and FAI Certified DAWIA and FAC Acquisition Workforce Training for GS-1102 and non-1102 Personnel
- 874 9, Off-the-Shelf Training Devices and Training Materials: Print, Electronic, Audio-Visual, Multi-Media, and Simulation Training Devices
- 874 99, New Services

GSA Schedules are awarded on an Indefinite Delivery/Indefinite Quantity (IDIQ) basis. The total quantity of services or supplies that will be acquired under the Schedule contract and the specific time for delivery of those items are not set in the contract. Schedule solicitations include only estimated total Schedule acquisition dollars for each SIN.

The quantity and names of Schedules and SINs change from time to time. GSA eLibrary (www.gsaelibrary.gsa.gov) provides a current listing of all Schedule contracts and links to additional information about each Schedule.

What Services Are Available on Schedule?

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☐ Environmental Services	☐ Information Technology Services		
Professional Engineering Services	Advertising and Marketing Services		
☐ Logistics Services	☐ Financial and Business Solutions		
☐ Language Services	Security Solutions		
Management and Consulting Services (including Training)	☐ Facilities Maintenance		
Temporary Administrative and Professional Services	☐ Disaster Relief		
Note: For a comprehensive list of services, please visit GSA eLibrary. <u>www.gsaelibrary.gsa.gov</u>			

GSA Schedule Contract Fundamentals

Solicitations for GSA Schedule contracts are "standing solicitations" issued through FedBizOpps. Vendors wishing to become GSA Schedule contractors may submit an offer at any time. More information on Schedule solicitations may be found at www.gsa.gov/schedulesolicitations.

GSA Schedule contracts have a base period of five years, with three additional five-year option periods. Options are exercised in accordance with FAR 17.207.

Ordering activities issue delivery or task orders against the contract. For services, the task orders specify the scope, milestones, timeframe and price for the requirements. Options may be included on orders placed against Schedule contracts, and options may be exercised provided that:

- Funds are available.
- The requirement covered by the option fulfills an existing Government need.
- Prior to exercising an option, the ordering activity ensures that it is still in the Government's best interest, with price and other factors considered.
- The order options do not extend beyond the period of the Schedule contract options.

Acquisition of Commercial Services

FAR 11.002(a)(2)(iii) requires that, to the maximum extent practicable, offerors of commercial items be provided an opportunity to compete for any Government contract acquisition. If the use of commercial services is precluded, purchasers may lose the benefits of commercial item innovations. Failure to define a service requirement as a commercial item will also prevent purchasers from using Schedule contracts and participating in the related benefits.

Purchasers should describe service requirements in a way that permits vendors providing commercial services to compete. Preferably, a performance-based approach should be used in accordance with FAR Subpart 37.6, so that results sought (rather than how the work should be done) are stated.

Note: For a comprehensive list of services, please visit GSA eLibrary. www.gsaelibrary.gsa.gov



MAS Desk Reference

For more information, refer to the MAS Desk Reference: Section 13: List of **GSA Multiple Award Schedules.**

What Supplies Are Available on Schedule?

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 Office Supplies and Equipment Tools and Hardware Building and Industrial Materials Furniture Scientific Equipment 	 Information Technology Products Vehicles and Support Equipment Appliances and Food Services Law Enforcement, Fire, and Security Products 	
Note: For a comprehensive list of supplies, please visit GSA eLibrary. <u>www.gsaelibrary.gsa.gov</u>		

Commercial Items and MAS

The FAR definition of "commercial items" as found at FAR 2.101(b) includes both supplies/commodities and services. It is very broad and encompassing and includes all of the following types of items as commercial items:

Nongovernmental items: A supply of a type customarily used by the general public or by nongovernmental entities for other than governmental purposes and has been sold, leased, or licensed to the general public; or has been offered for sale, lease, or license to the general public.

Evolved nongovernmental items: A nongovernmental item that:

- Evolved from an item customarily used for nongovernmental purposes through advances in technology or performance; and
- Will be available in the commercial marketplace in time to satisfy the delivery requirements under a solicitation

Modified versions of either of these item types: An item that would be considered a nongovernmental item or an evolved nongovernmental item if it were not for one of the following:

- Modifications of a type customarily available in the commercial marketplace
- Minor modifications of a type not customarily available in the commercial marketplace that must be made to meet Federal Government requirements

A minor modification does not significantly alter the nongovernmental function or essential physical characteristics of an item or component, or change the purpose of a process. Factors to be considered in determining whether a modification is minor include the value and size of the modification and the comparative value and size of the final item. Dollar values and percentages may be used as guideposts, but are not conclusive evidence that a modification is minor.

Note: For a comprehensive list of services, please visit GSA eLibrary. www.gsaelibrary.gsa.gov



MAS Desk Reference

For more information, refer to the <u>MAS Desk Reference</u>: Section 13: List of GSA Multiple Award Schedules.

Topic 4: Overview of Socioeconomics

MAS Supports Small Business Utilization

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- ☐ MAS program promotes small business through <u>socioeconomic preference</u> or <u>set-asides</u>. ☐ FAR Part 19, Small Business Programs
 - Applies to Schedule contracts
 - Does NOT apply to orders
- ☐ Exception to FAR 19 applicability at the order level:
 - Bundling (FAR19.202-1(e)(1)(iii))
 - Size standard criteria

FAR Part 19 provides guidance to Federal agencies on how to implement facets of the Small Business Act, as amended. However, Part 19, with one small exception (bundling), does NOT apply when using the GSA Schedules' ordering procedures. Part 19 does apply when those Schedule contracts are being negotiated and awarded. However, based on a recent statutory change and associated FAR implementation, Contracting Officers may now elect, at their discretion, to apply the set-aside process to the placement of Schedule orders and establishment of Schedule BPAs.

MAS Supports Small Business Utilization, Cont.

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Consider at least one small business prior to placing an order (8.405-5(c))
Give preference to small business if you have at least two (2) quotes at the same delivered price from small business (8.405-5(d))
Encourages use of Contractor Team Arrangements (CTAs)
No limitation on subcontracting
Ordering activity receives socioeconomic credit (8.405-5(b))
Consider socioeconomic status as a primary evaluation factor (8.405-5(c))
May choose small business subcontracting as an evaluation factor

Ordering activities have a variety of means to foster achieving small business goals. When considering sources to solicit, always consider at least one small business. Another effective means, especially when one contractor may not be able to provide the full range of products/services, is the use of CTAs. CTAs allow a teaming of small firms to provide a complete response or total solution. If the evaluation/source selection is made on a best value/tradeoff basis, socioeconomic status can be an effective factor to incorporate. That allows small firms to compete and receive favorable consideration based on their status.

MAS Supports Small Business Utilization, Cont. (slide)

If available, ordering activities should consider at least one:			
☐ Small business			
☐ Veteran-owned small business			
☐ Service disabled veteran-owned small business			
☐ HUBZone small business			
☐ Women-owned small business			
☐ Small disadvantaged business			

When soliciting sources, consider inclusion of one or more of these categories. It's easy to find these firms when you perform market research using GSA Advantage! and eLibrary.

FAR Part 19: Small Business Programs

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☐ Part 19 generally does not apply to Schedule orders – (See 8.404(a))
 FAR 8.405-5 provides policy for set-asides at the Schedule order level.
☐ 19.502-4 Multiple-award contracts and small business set-asides
Contracting officers may, at their discretion—
 (c) Set aside orders placed under multiple-award contracts for any of the small business concerns identified in FAR 19.000(a)(3)
"For Federal Supply Schedules Program orders see FAR 8.405-5."
☐ 19.508(c) requires certain clauses for total and partial set-asides as well as limitations on subcontracting to be added to orders under MAS.

FAR 19.508(c) requires use of the following FAR 52.219-6 clause when a MAS set-aside is involved:

Notice of Total Small Business Set-Aside (Nov 2011)

- (a) *Definition*. "Small business concern," as used in this clause, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the size standards in this solicitation.
- (b) Applicability. This clause applies only to—
- (1) Contracts that have been totally set aside or reserved for small business concerns; and
- (2) Orders set aside for small business concerns under multiple-award contracts as described in 8.405-5 and 16.505(b)(2)(i)(F).
- (c) General.
- (1) Offers are solicited only from small business concerns. Offers received from concerns that are not small business concerns shall be considered nonresponsive and will be rejected.
- (2) Any award resulting from this solicitation will be made to a small business concern.
- (d) *Agreement*. A small business concern submitting an offer in its own name shall furnish, in performing the contract, only end items manufactured or produced by small business concerns in the United States or its outlying areas. If this procurement is processed under simplified acquisition procedures and the total amount of this contract does not exceed \$25,000, a small business concern may furnish the product of any domestic firm. This paragraph does not apply to construction or service contracts.

FAR Subpart 8.405-5 - Small Business

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_	8.405-5(a) - P	reference progra	ms of Part 19	are not mandatory
_	0.403-3(a) - F	I CICI CIICE DI USI A	IIIIS OI FAIL 13 (are not manuatori

- **8.405-5(a)(1)** Set-asides are <u>discretionary</u> for orders and BPAs against Multiple Award Schedules.
- \square 8.405-5(a)(2) Follow the ordering procedures at:
 - 8.405-1, Products and services without SOW
 - 8.405-2, Services with an SOW
 - 8.405-3, BPAs
 - The specific small business program eligibility requirements identified in Part 19 apply.

8.405-5 Small business.

- (a) Although the preference programs of part <u>19</u> are not mandatory in this subpart, in accordance with section 1331 of Public Law 111-240 (15 U.S.C. 644(r))—
 - (1) Ordering activity contracting officers may, at their discretion—
 - (i) Set aside orders for any of the small business concerns identified in 19.000(a)(3); and
 - (ii) Set aside BPAs for any of the small business concerns identified in 19.000(a)(3).
 - (2) When setting aside orders and BPAs—
 - (i) Follow the ordering procedures for Federal Supply Schedules at <u>8.405-1</u>, <u>8.405-2</u>, and <u>8.405-3</u>; and
 - (ii) The specific small business program eligibility requirements identified in part <u>19</u> apply.
- (b) Orders placed against Schedule contracts may be credited toward the ordering activity's small business goals. For purposes of reporting an order placed with a small business Schedule contractor, an ordering agency may take credit only if the awardee meets a size standard that corresponds to the work performed. Ordering activities should rely on the small business representations made by Schedule contractors at the contract level. This information is found on the "Contractor Information" page in GSA elbrary at www.gsaelibrary.gsa.gov.
- (c) Ordering activities may consider socioeconomic status when identifying contractors(s) for consideration or competition for award of an order or BPA. At a minimum, ordering activities should consider, if available, at least one small business, veteran-owned small business, service disabled veteran-owned business, HUBZone small business, women-owned small business, or small disadvantaged business schedule contractors(s). GSA *Advantage!* (www.gsaadvantage.gov) and eLibrary (www.gsaalibrary.gsa.gov) contain information on the small business representations of Schedule contractors.

(d) For orders exceeding the micro-purchase threshold, ordering activities should give preference to the items of small business concerns when two or more items at the same delivered price will satisfy the requirement.	

FAR Subpart 8.405-5 - Small Business, Cont.

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- 8.405-5(b) Orders placed against Schedule contracts may be credited toward the ordering activity's small business goals.
 - For purposes of reporting, an ordering agency may take credit only if the awardee meets a size standard that corresponds to the work performed.
 - Ordering activities should rely on the small business size representations made at the Schedule contract level. (Size standard is found in eLibrary)
- ☐ Agencies do not need to make a separate size determination at the order level, however...
 - GAO has upheld agencies' right to request a recertification at the order level (CMS Information Services Inc., B-290541, Aug. 7, 2002).

Certification Requirements for MAS Contracts

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☐ MAS contracts size standard certification is generally valid for 5 years	
☐ Firms must recertify at the time of an option exercise.	
• Exceptions:	
Novation (within 30 days after effective)	
 Merger or Acquisition (within 30 days after effective) 	
☐ See FAR 19.301-2	

In accordance with SBA Regulations and the FAR, the size determination made at contract award applies for the life of that contract unless one of three events occurs:

- 1. Novation
- 2. Merger or acquisition
- 3. Option exercise of the Schedule contract

In these cases, the contractor is required to update its size.

FAR 19.301-2(b)(3) includes the following requirements for recertification prior to exercise of options as well as for novations and mergers or acquisitions:

"A contractor that represented itself as a small business concern before contract award must rerepresent its size status for the North American Industry Classification System (NAICS) code in the contract upon the occurrence of any of the following:

- (1) Within 30 days after execution of a novation agreement or within 30 days after modification of the contract to include the clause at <u>52.219-28</u>, Post-Award Small Business Program Rerepresentation, if the novation agreement was executed prior to inclusion of this clause in the contract.
- (2) Within 30 days after a merger or acquisition of the contractor that does not require novation or within 30 days after modification of the contract to include the clause at <u>52.219-28</u>, Post-Award Small Business Program Rerepresentation, if the merger or acquisition occurred prior to inclusion of this clause in the contract.
 - (3) For long-term contracts—
 - (i) Within 60 to 120 days prior to the end of the fifth year of the contract; and
- (ii) Within 60 to 120 days prior to the date specified in the contract for exercising any option thereafter."

What Is Considered a Small Business?

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SBA establishes small business size standards.
Industries are classified using the North American Industry Classification System (NAICS).
There are separate NAICS codes for various products and services.
For GSA Schedules – NAICS codes are applied at the Schedule contract level.
 May not use NAICS codes at the order level that have not been awarded on the Schedule contract (See 13 CFR 121.404(g)(3)(iv))

"Small business concern" means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria and size standards in 13 CFR part 121 (see 19.102). Such a concern is "not dominant in its field of operation" when it does not exercise a controlling or major influence on a national basis in a kind of business activity in which a number of business concerns are primarily engaged. In determining whether dominance exists, consideration must be given to all appropriate factors, including volume of business, number of employees, financial resources, competitive status or position, ownership or control of materials, processes, patents, license agreements, facilities, sales territory, and nature of business activity. (See 15 U.S.C. 632 and FAR Part 2.1, Definitions.)

The GAO is of the opinion that size may be re-validated/determined at the time of quote submission. There will be more on this later in the course.

The general size standards are often based on number of employees for products or based on company revenue for services (though every NAICS code has a different standard). Many other factors come into play as well. Data on North American firms is gathered and analyzed by Census and by SBA.

Special Subcategories of Small Business

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	Vetera	n-owned small businesses (VOSB)
	•	One or more veterans own at least 51%, and they manage and control daily business operations
	Service	e-disabled, veteran-owned small businesses (SDVOSB)
	•	Veteran-owned small business with disability incurred or aggravated in line of duty in the active military, naval, or air service
	Wome	n-owned small businesses (WOSB)
	•	One or more women own at least 51%, and they manage and control daily business operations
	Econor	mically disadvantaged women-owned small business (EDWOSB)
	•	One or more women own at least 51%, and they manage and control daily business operations, and
	•	Are economically disadvantaged in accordance with 13 CFR Part 127

"Veteran-owned small business concern" means a small business concern—

- (1) Not less than 51 percent of which is owned by one or more veterans (as defined at <u>38 U.S.C. 101(2)</u>) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and
- (2) The management and daily business operations of which are controlled by one or more veterans.

SDVOSB firms are owned by one or more members of the military that incurred a disability while serving his or her country. Under the Veterans Benefit Act of 2003, the Federal Government seeks to provide contracting assistance to SDVOSBs.

Note that there is a statutory goal only for SDVOSBs, and not just veteran-owned small business concerns. Set-asides under the MAS program are now permissible, if market research indicates there are enough firms in the same socioeconomic category. Additionally, if an award is made to one of these small business types either through a set-aside or not, your agency will get credit for the award in FPDS.

Women-owned small business concern" means a small business concern—

(1) That is at least 51 percent owned by one or more women; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and (2) Whose management and daily business operations are controlled by one or more women.

In addition to the long standard category of small businesses owned by women, SBA recently added two new related classifications. These are Women Owned Small Businesses (WOSB) and Economically Disadvantaged WOSBs (EDWOSB). A small business that is woman owned that meets the new requirements can apply for WOSB or EDWOSB status and may either self-certify to their qualifications or be certified by a designated third party. These new categories also permit agencies to conduct set-asides, including ones done under MAS, for either category. This differs from the existing general small business women-owned status that does not permit set-asides. Regardless of whether awarded through set-asides or through a non-restricted, open competition basis, agencies are given credit towards women-owned small goals if the award is made to a general owned women business or one that qualifies under the two new categories.

Special Subcategories of Small Business, Cont.

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☐ HubZone small businesses

- HUBZone is a historically underutilized business zone within qualified census tracts, qualified nonmetropolitan counties, qualified base closure areas, or redesignated areas, or lands within the external boundaries of an Indian reservation.
- The phrase "HUBZone small business" appears on SBA's List of Qualified HUBZone Small Businesses
- ☐ Small, disadvantaged businesses or 8(a)s
 - One or more socially and economically disadvantaged individuals own at least a 51% interest and control management and daily business
 - African Americans, Hispanics, Native Americans, Asian-Pacific and Subcontinent Asian Americans, and women are presumed to be socially and economically disadvantaged

HUBZone" means a **historically underutilized business zone** that is an area located within one or more qualified census tracts, qualified nonmetropolitan counties, BRAC former military bases, or lands within the external boundaries of an Indian reservation.

"HUBZone small business concern" means a small business concern that appears on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration. HUBZone firms will also be visible at sam.gov and on gsaadvantage.gov.

8(a) firms are called this because they were identified in Section 8(a) of the Small Business Act. The term 8(a) is often used in place of "Disadvantaged," but they are not synonymous. Only disadvantaged businesses meeting certain criteria can be accepted by SBA into the 8(a) program, which is used to develop and grow the business over time.

Section 8(a) of the act authorizes SBA to contract for goods and services with Federal agencies. SBA then subcontracts actual performance of the work to socially and economically disadvantaged small businesses, which have been certified by SBA as eligible to receive these contracts. The major advantage of this program is that it allows the Government to contract, on a noncompetitive basis, with socially and economically disadvantaged small businesses. SBA also offers managerial, technical and financial support to participating firms, not to exceed \$6.5 million if the acquisition has an assigned NAICS code, and \$4 million for all other acquisitions.

Remember that orders and BPAs can be set aside for 8(a) firms. All orders to an 8(a) Schedule holder will count as credit towards the agency's 5 percent small disadvantaged business goals.

Nonmanufacturer (NMR) Rule

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What Is the Nonmanufacturer Rule?

- On a supply contract, a firm must perform at least 50% of the cost of manufacturing the supplies (not including the cost of materials).
- ☐ The NMR provides that...
 - a firm that is not a manufacturer may qualify as a small business on a supply contract that has been set aside for small business if it supplies the product of a domestic small business manufacturer.

For additional information:

http://www.sba.gov/content/non-manufacturer-waivers

The Small Business Act and SBA's regulations impose performance requirements (limitations on subcontracting) on firms that are awarded set-aside contracts.

Regulations:

- ❖ On a supply contract, a firm must perform at least 50% of the cost of manufacturing the supplies (not including the cost of materials).
- The NMR is an **exception** to the performance requirements and provides that a firm that is *not* a manufacturer may qualify as a small business on a supply contract set aside for small business if, among other things, it supplies a small business product made in the United States.

Nonmanufacturer (NMR) Rule, Cont.

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Nonmanufacturer Rule Reminders

- As the Contracting Officer applying the Nonmanufacturer Rule to your acquisition strategy, there are some things to remember:
 - The NMR does not apply to service contracts.
 - The NAICS code and size standard will flow down from the Schedule contract.
- ☐ SBA may grant waivers to the NMR in industries where there are no small business manufacturers.
 - Nonmanufacturer waivers are not granted for HUBZone procurements.
 - Nonmanufacturer waivers cannot be granted after quotes on a solicitation have been received.

SBA may grant waivers for NMR. In order to qualify as a small business on a small business set-aside for the acquisition of supplies, an offeror must either manufacture the item in accordance with the Limitations on Subcontracting or supply a small business product made in the United States. The Small Business Act also contains provisions that allow the Administrator of the SBA to waive this requirement when there are no small business manufacturers or processors available to supply the product to the Federal Government.

SBA can provide the following types of waivers:

- Individual waiver. After reviewing a determination by a Contracting Officer that no small business manufacturer or processor can reasonably be expected to offer a product meeting the specifications (including period of performance) required of an offeror or by the solicitation; or
- Class waiver. For a product or class of products after determining that no small business is available to participate in the Federal procurement market.

Nonmanufacturer (NMR) Rule, Cont.

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Language applying the NMR to set-aside Schedule orders can be found in the following clauses:

Clause	Title	
52.219-3	Notice of HUBZone Set-Aside or Sole Source Award (Nov-2011)	
52.219-6	Notice of Total Small Business Set-Aside (Nov-2011)	
52.219-27	Notice of Service-Disabled Veteran-Owned Small Business Set-Aside (Nov-2011)	
52.219-29	Notice of Set-Aside for Economically Disadvantaged Women-Owned Small Business (EDWOSB) Concerns (Nov-2011)	
52.219-30	Notice of Set-Aside for Women-owned Small Business Concerns Eligible Under the Women-Owned Small Business Program (Nov-2011)	

Required Clauses

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Clause	Title	
52.219-3	Notice of HUBZone Set-Aside or Sole Source Award (Nov-2011)	
52.219-6	Notice of Total Small Business Set-Aside (Nov-2011)	
52.219-13	Notice of Set-Aside of Orders (Nov-2011)	
52.219-14	Limitations on Subcontracting (Nov-2011)	
52.219-27	Notice of Service-Disabled Veteran-Owned Small Business Set-Aside (Nov-2011)	
52.219-29	Notice of Set-Aside for Economically Disadvantaged Women-Owned Small Business (EDWOSB) Concerns (Nov- 2011)	
52.219-30	Notice of Set-Aside for Women-owned Small Business Concerns Eligible Under the Women-Owned Small Business Program (Nov-2011)	

GSA Schedules contain the following clauses, which are applicable at the order level when a set-aside is conducted. Note: Clause applicability varies based on the type of set-aside being conducted.

52.219-13, Notice of Set-Aside of Orders (NOV 2011)

52.219-3, Notice of HUBZone Set-Aside or Sole Source Award (NOV 2011)

52.219-6, Notice of Total Small Business Set-Aside (NOV 2011)

52.219-14, Limitations on Subcontracting (NOV 2011)

52.219-27, Notice of Service-Disabled Veteran-Owned Small Business Set-Aside (NOV 2011)

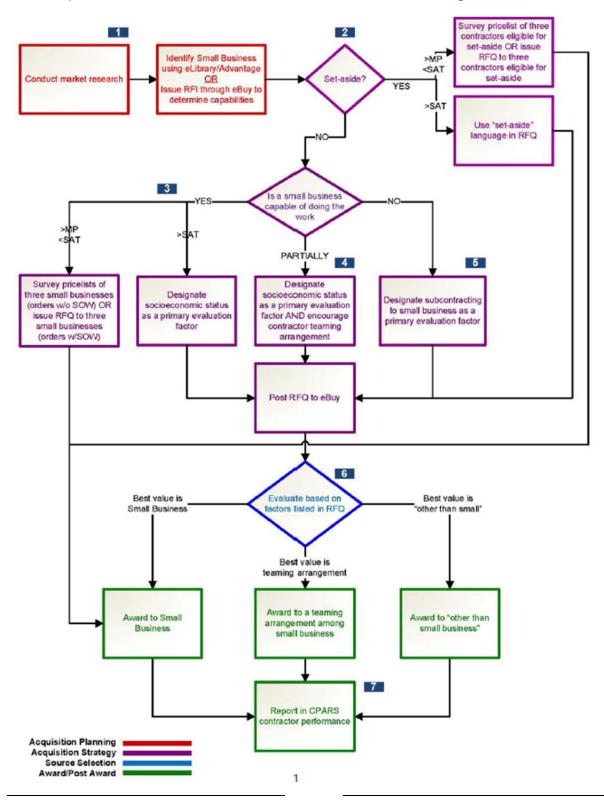
52.219-29, Notice of Set-Aside for Economically Disadvantaged Women-Owned Small Business (EDWOSB) Concerns (NOV 2011)

52.219-30, Notice of Set-Aside for Women-Owned Small Business Concerns Eligible Under the Women-Owned Small Business Program

Process for Effective Accomplishment

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The Acquisition Process and Small Businesses When Using GSA Schedules



EXPLANATION OF PROCESS STEPS

1. Conduct market research.

Ordering activities should utilize GSA *Advantage!*® and GSA eLibrary to identify small businesses capable of meeting the requirement. Through *Advantage!*®, ordering activities can find all contractors who provide the supply/product required and view the socioeconomic status of each contractor. Through eLibrary, ordering activities can find all contractors under the Special Item Number (SIN) associated with the required supply or service; ordering activities can then go one step further and filter the list of contractors by any specific socioeconomic category desired.

If a search on *Advantage!*® and eLibrary does not result in any possible small business sources, ordering activities may also consider issuing a Request for Information (RFI) on eBuy to determine the capabilities of small businesses in the relevant SINs and to identify small businesses capable of doing the work. An RFI is also a good idea when trying to determine whether your order is eligible for a set-aside (either for small business in general or for one of the small business subtypes listed in FAR 19.000(a)(3)); in order to do a set-aside, there have to be at least two (2) small business (or two of whatever sub-type the set-aside will be for) Schedule contractors that are capable of doing the work, taking into account the limitations on subcontracting.

After conducting market research, ordering activities should be able to answer the question, "Is a small business capable of doing the work?"

2. Set-aside determination

It is the ordering activity's discretion whether to set aside an order. This discretion can be exercised once two conditions are met: 1) There must be at least two (2) small business (or whatever subtype the set-aside will be for) Schedule contractors that are capable of doing the work, taking into account the limitations on subcontracting; and 2) Your requirement must meet the small business program eligibility requirements for set-asides. Currently, only the 8(a) and Women-Owned Small Business (WOSB) set-aside programs have eligibility requirements.

In the event that the ordering activity exercises its discretion, and the order is eligible for a set-aside, the ordering procedures in FAR 8.405-1 and FAR 8.405-2 need to be followed. This means that for orders above the micro-purchase threshold but below the Simplified Acquisition Threshold (SAT), the ordering activity can either review the price list of three Schedule contractors that are eligible for the set-aside (e.g., small businesses for small business set-aside, HubZones for HubZone set-asides) if the order is for supplies or services not requiring a SOW, or send an Request for Quote (RFQ) to at least three Schedule contractors that are eligible for the set-aside for orders that require a SOW. For orders above the SAT, the RFQ needs to be posted on eBuy or sent to enough eligible Schedule contractors so that at least three quotes are received. For set-aside orders, ordering activities should consider using the following language in the RFQ:

This is a notice that this order is a total set aside for [insert either "small business concerns" or specify a type of small business concern]. Only quotes submitted by [insert either "small business concerns" or specify a type of small business concern] will be accepted by the Government. Any quote that is submitted by a contractor that is not [insert either "a small business concern" or specify a type of small business concern] will be immediately rejected.

3. A small business is capable of doing the work in its entirety (no setting aside of order).

If the ordering activity has determined that a small business can meet the whole requirement alone, as long as there is no limitation on subcontracting, it has two options depending on the estimated order value:

For orders above the micropurchase threshold but below the SAT, the ordering activity can either review the price list of three small business Schedule contractors if the order is for supplies or services not requiring a SOW or send an RFQ to at least 3 small business Schedule contractors for orders that require a SOW. The ordering activity can then place an order with the Schedule contractor that represents the best value.

For orders above the SAT, the RFQ needs to be posted on eBuy or sent to enough Schedule contractors so that at least three quotes are received. Since posting to eBuy will make the RFQ available for viewing by all Schedule contractors awarded the relevant SINs, the ordering activities should designate socioeconomic status as a primary evaluation factor in the RFQ. For additional guidance on how to use socioeconomic status as an evaluation factor, see the sample RFQ language posted on www.gsa.gov/schedulesandsbgoals.

4. A small business is capable of doing only part of the work on its own.

If market research reveals that there is no small business that can meet the requirement as a whole, but there are small businesses that can each cover portions of the entire requirement, ordering activities can designate socioeconomic status as a primary evaluation factor and also encourage Contractor Team Arrangements (CTAs) in the RFQ. The RFQ can then be posted on eBuy; this will result in all Schedule contractors awarded the relevant SIN(s) to be able to view the document. While posting on eBuy will result in the RFQ being viewable by large businesses awarded the relevant SIN(s), designation of socioeconomic status as an evaluation factor and the CTA language in the RFQ will prompt them to find a small business (or businesses) to partner with in response to the requirement. Posting on eBuy will also ensure that a sufficient number of small businesses (i.e., all those awarded the relevant SIN(s)) have access to the RFQ so that there is a greater probability of receiving responses from CTAs made up solely of small businesses. For sample RFQ language on evaluating CTAs for the socioeconomic status factor, visit www.gsa.gov/schedulesandsbgoals.

5. A small business is not capable of doing any part of the work.

If market research reveals that the requirement can be met only by" an other than small business," ordering activities can still utilize small business by designating subcontracting to small businesses as a primary evaluation factor. Ordering activities can then post the RFQ to eBuy.

6. Evaluate the quotes.

In any situation, quotes must always be evaluated in accordance with the evaluation factors listed in the RFQ.

7. Report in CPARS contracting performance.

Recent rulings require ordering activities to report past performance and other responsibilityrelated determinations into the Contractor Performance Assessment Reporting System (CPARS).

Regardless of whether the BPA/task order was placed with a small business, a CTA, or an other than small business, ordering activities need to report past performance for the contractor in CPARS. Positive past performance will assist the small businesses in being awarded BPAs/orders in the future.

RFQ Language

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The Contracting Officer should include the following language in the RFQ:

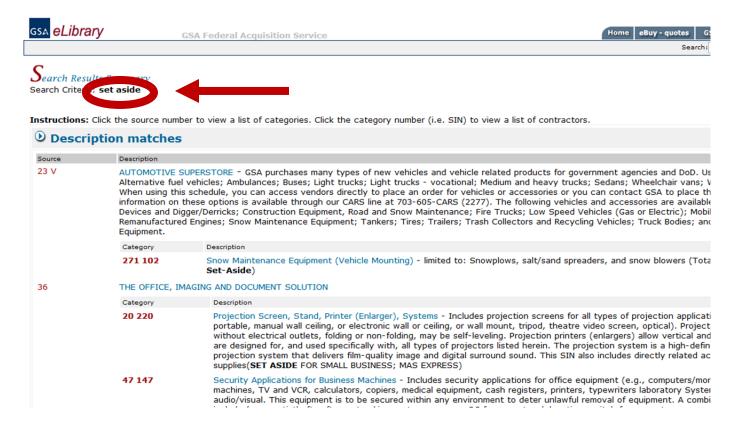
This is a notice that this [insert either "order" or "Blanket Purchase Agreement"] is a total set aside for [insert either "small business concerns" or specify a type of small business concern]. Only quotes submitted by [insert either "small business concerns" or specify a type of small business concern] will be accepted by the Government. Any quote that is submitted by a contractor that is not [insert either "a small business concern" or specify a type of small business concern] will not be considered for award.

Note: If using eBuy and selecting "set aside," this language will be included in the RFQ automatically.

Include this notice in RFQs when a set-aside is used. It is included automatically when using eBuy. It's important that the notice be in a prominent location at the beginning of the document to alert small businesses of the opportunity, but also to notify other than small firms so they do not waste their resources pursuing something for which they do not qualify.

Set-Aside Special Item Numbers (SINs)

(slide)



One Schedule and certain categories (SINs) within other Schedules have been set aside for small businesses. For example, Schedule 736, Temporary and Administrative Staffing, has been set aside in its entirety, and only small business firms receive contracts under this Schedule.

For more information, see http://interact.gsa.gov/blog/utilizing-set-aside-special-item-numbers-sins-small-business.

Topic 5: GSA's Role and MAS

Implementation Support — Training

(slide)

- ☐ Training provided to customer agencies: over **8,382** members of the acquisition workforce, over **30,095** CLPs
- ☐ Courseware in either Instructor-Led, Webinar, or CLM formats
- ☐ Other training outlets:
 - YouTube
 - Interact
 - FAQ/Portal

The training that GSA provides is increasingly easy to obtain. Sources like Interact and the FAQs on the gsa.gov/schedules portal allow ordering activities to take training in real time before placing orders. These resources also provide ready answers to questions.

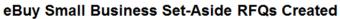
Implementation Support — System Updates (slide)

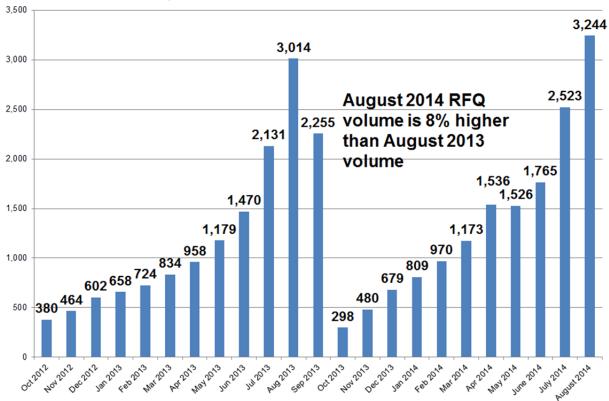
Upgrades to eBuy (MAS RFQ system) effective April 2012:		
Customous son nouvidentify their DECo son set saids		
Customers can now identify their RFQs as a set-aside.		
Functionality provides valuable data on the use of Section 1331.		
☐ It is the only acquisition system in Government — until recently - that captures this data.		

The eBuy upgrade now allows ordering activities to conduct set-asides electronically. This means less work and a more effective means of achieving socioeconomic goals.

Set-Aside RFQs in eBuy

(slide)



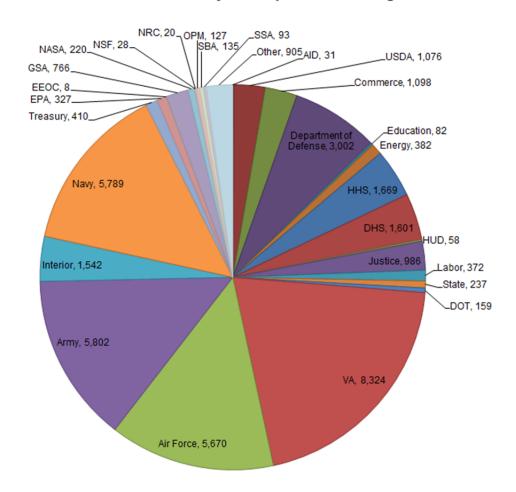


The bar graph illustrates the monthly percentage of set-aside RFQs in eBuy.

Set-Aside RFQs in eBuy, Cont.

(slide)

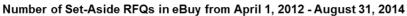
Number of Set-Aside RFQs in eBuy from April 1, 2012 - August 31, 2014

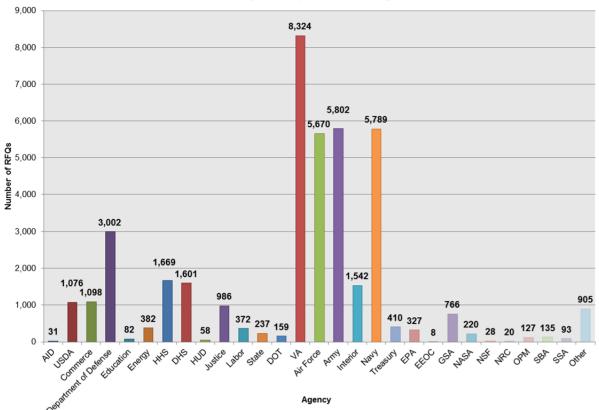


This pie chart, which covers the same period as the previous graphic, shows the actual number of set-aside RFQs in eBuy, broken down by Federal agency.

Set-Aside Utilization

(slide)



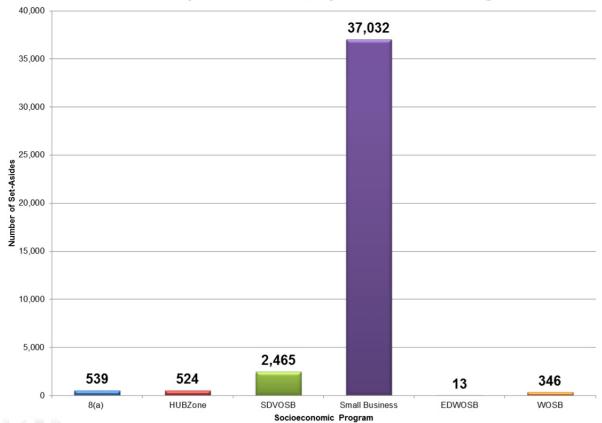


This chart depicts the percentage of eBuy set-aside utilization by agency.

Set-Aside by Program

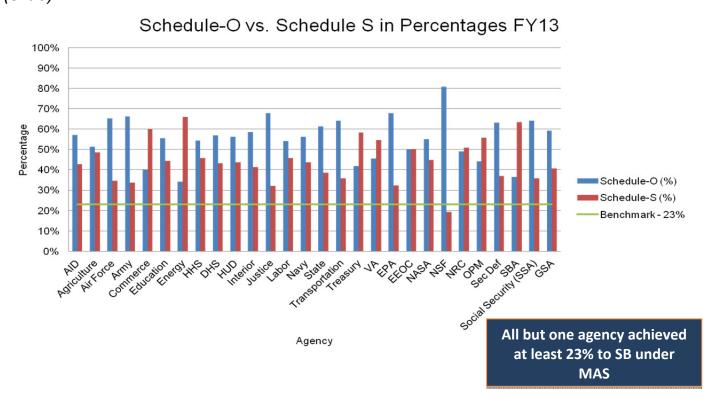
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This chart shows the number of set-aside RFQs in eBuy, broken down by socioeconomic program.

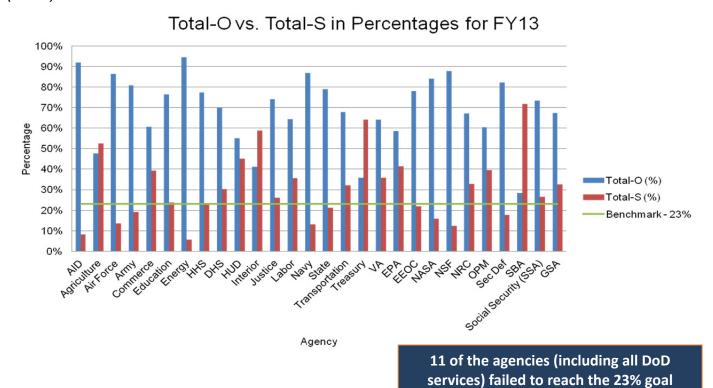
Large vs. Small Business (Schedules) (slide)



This graph depicts the percentages of large vs. small business obligations by agency for FY13 under the Schedules program. Large business obligations are shown by the blue bars; small businesses, by the red bars.

A horizontal line is drawn at the 23% mark. Notice that all but one agency obligated at least 23% to small businesses under the Schedules program.

Large vs. Small Business (Open Market) (slide)



Let's contrast performance under the Schedules program (on the previous chart) with performance in open market acquisitions. This graph depicts the percentages of large vs. small business obligations by agency for FY13 for open market acquisitions. Once again, large business obligations are shown by the blue bars; small businesses, by the red bars. A horizontal line is drawn at the 23% mark.

Under open market acquisitions, 11 agencies, including all the DoD services, failed to reach the 23% small businesses goal.

Topic 6: Identifying Small Businesses

Market Research

(slide)

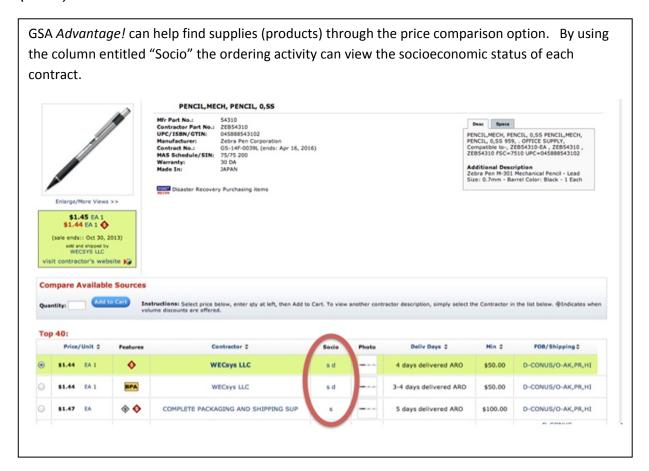
Market research is the key to achieving small business objectives.	
Use market research to ensure at least three small businesses can meet the need in order to meet ordering procedure requirements.	
FAR Part 7 and Subpart 8.4 require acquisition planning and market research prior to placing orders against Schedules.	
The two most commonly used approaches to market research are:	
Identify small businesses through eLibrary	
 Issue an RFI through eBuy to determine market capabilities 	
The outcome of market research determines the acquisition strategy, both in terms of how to acquire goods and services and in how they are described to enable maximum competition.	

FAR Part 10 describes market research requirements. All acquisitions over the Simplified Acquisition Threshold (SAT) require market research, but some level of market research should be performed on all acquisitions over the micro-purchase threshold. Agency policies and procedures will prescribe the documentation requirements for acquisitions under the SAT.

The GSA Advantage! web pages make market research easy. Use the eLibrary tab and a key word or NAICS code to find out whether small businesses capable of performing the required tasks are on Schedule. If there are enough contractors in the same socioeconomic category, consider setting aside the acquisition.

GSA Advantage!

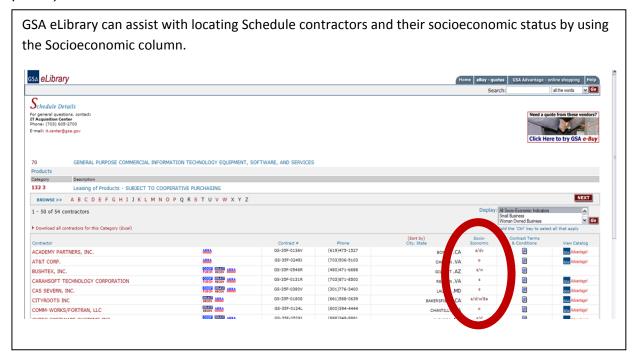
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Ordering activities can utilize *GSA Advantage!* to find supplies through the price comparison option. By selecting the product number, ordering activities can view all contractors who provide that product. Then by using the column entitled "Socio," the ordering activity can view the socioeconomic status of each contractor. See www.gsaadvantage.gov.

eLibrary

(slide)

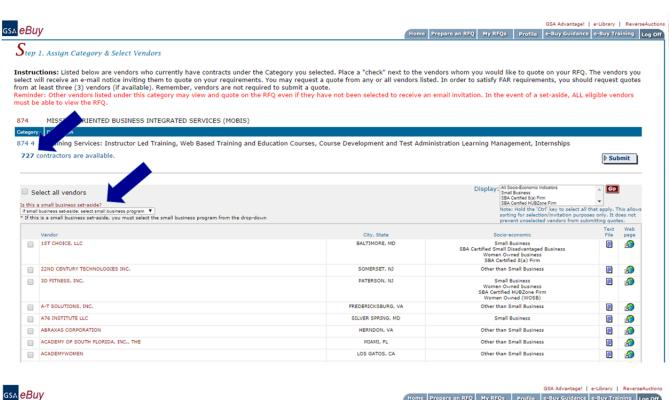


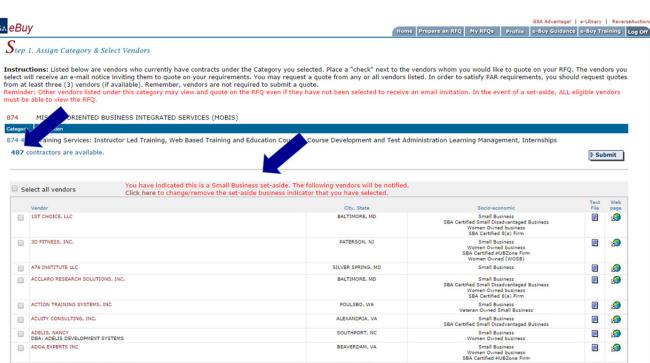
Ordering activities can utilize GSA eLibrary to assist with finding Schedule contractors and their socioeconomic status. By going to eLibrary, the ordering activity can look up a specific contractor or a list of contractors by the Special Item Number (SIN) associated with the supply or service they are ordering.

By clicking on the specific SIN, the ordering activity can view all contractors available. The ordering activity can then utilize the Socioeconomic column to find contractors within the appropriate small business program. They can also filter the display by the socioeconomic category that is relevant to this purchase. See www.gsaelibrary.gsa.gov.

eBuy

(slide)

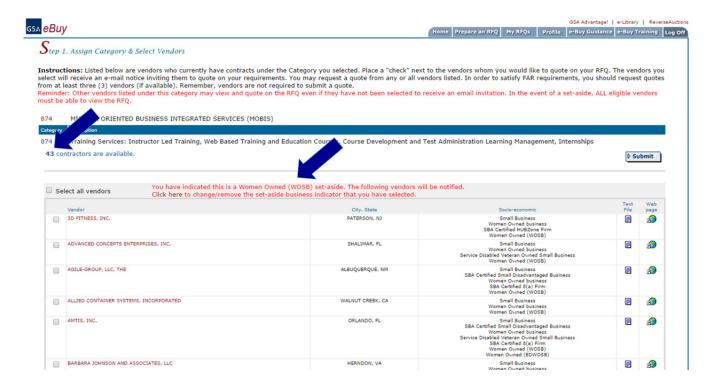




TANNER, AL

Small Business

ADRIAN TECHNOLOGIES INCORPORATED



Ordering activities can choose specific vendors to notify when posting an RFQ. Part of the RFQ posting process on eBuy involves selecting the relevant Schedule(s) and SIN(s). All orders over the SAT require the development of an RFQ, which must be posted on eBuy or sent to as many Schedule contractors as possible to ensure that three quotes are received.

After choosing the appropriate scope, ordering activities can select specific vendors who will receive e-mail notices inviting them to quote on their requirement. Note that all vendors awarded the selected Schedule(s) and SIN(s) will be able to view the RFQ and submit a quote.

From GSA website: eBuy is an online Request for Quotation (RFQ) tool designed to facilitate the request for submission of quotations for a wide range of commercial supplies and services offered by GSA Schedule contractors who are on <u>GSA Advantage!</u>®.

eBuy allows Federal, state, and local government agencies (buyers) to maximize their buying power by leveraging the power of the internet to increase Schedule contractor participation. This results in obtaining quotations that will promote a best value purchase decision. eBuy provides Schedule contractors (sellers) with greater opportunities to offer quotations and increase business volume for supplies and services provided under their Schedule contracts.

eBuy streamlines the buying process with point-and-click functionality by allowing RFQs and responses to be exchanged electronically between agencies and GSA Schedule contractors. In short, eBuy provides both agencies and contractors with a tool that will result in savings of both time and money.

Recap

(slide)

Set-Aside	Non-Set-Aside
Ordering activity may conduct discretionary set-asides.	Ordering activity should give preference to small business if at least two.
FAR Part 19 does not apply – See 8.405-5 (ordering procedures come from 8.405-1, 8.405-2, or 8.405-3)	They may use socioeconomic status as an evaluation factor.
Limitations on subcontracting apply.	No limitations on subcontracting apply.
NMR applies.	NMR does not apply.
Ordering activity receives socioeconomic credit.	Ordering activity receives socioeconomic credit.
No "rule of two" – Must ensure competition requirements in 8.405-1, 8.405-2, or 8.405-3 are met.	

Knowledge Check 1

Can you set aside orders and BPAs under Schedule contracts?

Answer: Yes. FAR Subpart 8.4 was revised to allow set-asides in connection with the placement of orders and the establishment of BPAs under Schedule contracts. (See FAR 8.405-5)

Knowledge Check 2

May an agency set aside Schedule orders and/or BPAs for any of the socioeconomic programs (e.g., 8(a), service-disabled veteran-owned, women-owned, and HUBZone small business concerns)?

Answer: Yes. FAR 8.405-5(a)(1) expressly states that agencies may set aside orders and BPAs for any of the small business concerns identified in 19.000(a)(3).

Knowledge Check 3

Are there any circumstances in which COs are required to use set-asides?

Answer: No. It is entirely up to the ordering contracting officer to decide whether or not it is in the best interest of the Government to set aside an order for small business. See FAR 8.405-5.

Knowledge Check 4

If an agency can find only two small businesses, can it still do a set-aside?

Answer: Yes, both for orders above and below the SAT. However, the agency must document the circumstances for restricting consideration to fewer than three Schedule contractors based on one of the reasons in FAR 8.405-6, which sets out requirements when limiting sources. For actions above the SAT, the requirement to distribute the RFQ to a sufficient number of Schedule holders to ensure at least three quotes are received is mandated by Section 863 of the FY 2009 National Defense Authorization Act, and Section 1331 of the Jobs Act does not provide relief from this competition requirement.

Knowledge Check 5

What steps must an agency take to set aside an order under the Schedules program?

Answer: Agencies must take the following four steps:

- 1. *Perform market research*. Determine if there are small businesses capable of performing the desired work.
- 2. Incorporate clauses into RFQs (until all Schedule contracts are modified). FAS is in the process of modifying its existing vehicles to include all appropriate set-aside clauses.
- 3. Include a statement in the RFQ for an order or BPA that will be set aside. The Contracting Officer should include the following language in the RFQ: "This is a notice that this order is a total set-aside for [insert either "small business concerns" or specify a subset of small business concern]. Only quotes submitted by [insert either "small business concerns" or specify a subset of small business concern] will be accepted by the Government. Any quote that is submitted by a contractor that is not [insert either "a small business concern" or specify a subset of small business concern] will not be considered for award."
- 4. Use the same competition rules as provided in FAR 8.405, except limit consideration only to small businesses.

Knowledge Check 6

What is meant by the "program eligibility requirements"?

Answer: Some of the small business programs identified in FAR Part 19 have special circumstances under which you can set aside an acquisition. For example, for an order to be set aside under the Women-Owned Small Business (WOSB) Program, the requirement needs to be (1) under \$6.5 million if it is for manufacturing and under \$4 million for all other requirements, and (2) fall within the scope of those specific NAICS code industries in which the SBA has determined that women-owned small business concerns are underrepresented or substantially underrepresented in Federal procurement (see FAR Subpart 19.15, WOSB Program for additional requirements).

Knowledge Check 7

Can socioeconomic status still be used as an evaluation factor as opposed to set-asides?

Answer: Yes. If an order is not being set aside exclusively for small business concerns, Contracting Officers can use socioeconomic status as an evaluation factor in RFQs.

Web Resources

- FAQs about Set-Asides on Schedules
 - www.gsa.gov/portal/content/113371
 - www.gsa.gov/schedulesandsbgoals
- MAS Training Student Guides www.gsa.gov/mastrainingstudentguides
- MAS Desk Reference www.gsa.gov/masdeskreference
- Multiple Award Schedules www.gsa.gov/schedules
- eLibrary www.gsaelibrary.gsa.gov
- GSA Advantage! www.gsaadvantage.gov
- eBuy www.ebuy.gsa.gov
- MAS News www.gsa.gov/masnews
- Federal Acquisition Regulation (FAR) www.acquisition.gov/far
- NAICS Codes are at http://www.census.gov/eos/www/naics/
- SBA's Table of Size Standards at http://www.sba.gov/idc/groups/public/documents/sba homepage/serv sstd tablepdf.pdf
- Monthly Webinars sponsored by the MAS Program Office http://www.gsa.gov/masnews
- Training Videos http://www.gsa.gov/portal/content/210517
- Defense Acquisition University http://icatalog.dau.mil/ Search for continuous learning modules with FAC prefix.